1	Committee Substitute
2	for
3	н. в. 2709
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5 6	(By Delegates Canterbury, Hamilton, Perry, Shaver, Walker and Hartman)
7	[Originating in the Committee on Education.]
8	(February 10, 2011)
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10	A BILL to amend and reenact $\$18-5-9a$ of the Code of West Virginia,
11	1931, as amended, relating to lease purchase contracts for
12	energy saving measures and energy-saving contracts entered
13	into by county boards; and allowing these contracts to have a
14	term of up to fifteen years.
15	Be it enacted by the Legislature of West Virginia:
16	That \$18-5-9a of the Code of West Virginia, 1931, as amended,
17	be amended and reenacted, to read as follows:
18	ARTICLE 5. COUNTY BOARD OF EDUCATION.
19	§18-5-9a. Energy-savings contracts.
20	(a) For the purposes of this section:
21	(1) "Energy-conservation measures" means goods or services, or
22	both, to reduce energy consumption operating costs of school
23	facilities. They These include, but are not limited to,
24	installation of two or more of the following:

(A) Insulation of a building structure and systems within a

- 1 building;
- 2 (B) Storm windows or doors, caulking or weather stripping,
- 3 multiglazed multi-glazed windows or doors, heat-absorbing or
- 4 heat-reflective glazed and coated window or door systems or other
- 5 window or door modifications that reduce energy consumption;
- 6 (C) Automatic energy control systems;
- 7 (D) Heating, ventilating or air conditioning systems,
- 8 including modifications or replacements;
- 9 (E) Replacement or modification of lighting fixtures to
- 10 increase energy efficiency;
- 11 (F) Energy recovery systems;
- 12 (G) Cogeneration Co-generation systems that produce steam or
- 13 another form of energy for use by the county board of education in
- 14 a building or complex of buildings owned by the Board of Education;
- 15 or
- 16 (H) Energy-conservation maintenance measures that provide
- 17 long-term operating cost reductions of the building's present cost
- 18 of operation.
- 19 (2) "Energy-savings contract" means a contract for the
- 20 evaluation and recommendation of energy operations conservation
- 21 measures and for implementation of one or more such measures. The
- 22 contract shall provide that payments, except obligations upon
- 23 termination of the contract before its expiration, are to be made
- 24 over time. A county board of education may supplement these
- 25 payments with federal, state or local funds to reduce the annual

- 1 cost or to lower the initial amount to be financed.
- 2 (3) "Qualified provider" means a person, firm or corporation
- 3 experienced in the design, implementation and installation of
- 4 energy-conservation measures.
- 5 (b) County boards of education are hereby authorized to enter
- 6 into performance-based contracts with qualified providers of
- 7 energy-conservation measures for the purpose of reducing energy
- 8 operating costs of school buildings.
- 9 (c) A board of education may enter into an energy-savings
- 10 contract with a qualified provider to reduce energy operating costs
- 11 significantly reduce energy operating costs. Before entering into
- 12 such a contract or before the installation of equipment,
- 13 modifications or remodeling to be furnished under such a contract,
- 14 the qualified provider shall first issue a proposal summarizing the
- 15 scope of work to be performed. Such a proposal shall contain
- 16 estimates of all costs of installation, modifications or remodeling
- 17 including the costs of design, engineering, installation,
- 18 maintenance, repairs or debt service as well as estimates of the
- 19 amounts by which energy operating costs will be reduced. If the
- 20 board finds, after receiving the proposal, that the proposal
- 21 includes more than one energy-conservation measure designed to save
- 22 energy operating costs, the board may enter into a contract with
- 23 the provider pursuant to this section.
- 24 (d) An energy-savings contract must shall include the
- 25 following:

- 1 (1) A guarantee of a specific minimum amount of money that the 2 board will save in energy operating costs each year during the term 3 of the contract; and
- 4 (2) A statement of all costs of energy-conservation measures 5 including the costs of design, engineering, installation, 6 maintenance, repairs and operations.
- (e) An energy-savings contract which is performance-based and sincludes a guarantee of savings and a comprehensive approach of energy-conservation measures for improving comfort is subject to competitive bidding requirements. *Provided*, That The requirements of article five-a, chapter twenty-one of this code as to prevailing wage rates shall apply to the construction and installation work performed under such a contract.
- (f) A board may enter into a "lease with an option to purchase" contract for the purchase and installation of energy-conservation measures if the term of the lease does not exceed ten fifteen years and the lease contract includes the provisions hereinafter contained in subsection (g) and meets federal tax requirements for tax-exempt municipal leasing or long-term financing.
- (g) An energy-savings contract may extend beyond the fiscal year in which it first becomes effective *Provided*, <u>except</u> that such a contract may not exceed a ten <u>fifteen</u>-year term *Provided*, and the provided that the board shall be void unless such agreement shall provide that the board shall have the option

- 1 thereunder during each fiscal year of the contract to terminate the
- 2 agreement. provides the board the option to terminate the agreement
- 3 during each fiscal year of the contract. The board may include in
- 4 its annual budget for each fiscal year any amounts payable under
- 5 long-term energy-savings contracts during that fiscal year.
- 6 Provided further, That
- 7 (h) Nothing contained herein shall be deemed to require or
- 8 permit in this section requires or permits the replacement of jobs
- 9 performed by service personnel employed by the local school board
- 10 pursuant to sections eight and eight-a, article four, chapter
- 11 eighteen-a of the code, as amended.

Strike-throughs indicate language that would be stricken from the present law and underscoring indicates new language that would be added.